

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION

IN RE:

CMHA-TCB LAUREL HOMES I  
LIMITED PARTNERSHIP

Debtor.

:  
:  
: Chapter 11  
: Case No. 11-11953  
: Judge Burton Perlman

---

CMHA-TCB LAUREL HOMES V  
LIMITED PARTNERSHIP

Debtor.

:  
:  
: Chapter 11  
: Case No. 11-11966  
: Judge Burton Perlman  
:  
:

**DEBTORS' MOTION FOR ORDER TO USE THEIR CASH COLLATERAL**

Now come the Debtors CMHA-TCB Laurel Homes I Limited Partnership ("Laurel Homes I") and CMHA-TCB Laurel Homes V Limited Partnership ("Laurel Homes V") (collectively "Debtors"), and move this Court, pursuant to 11 U.S.C. § 363, Bankruptcy Rule 4001 and Local Bankruptcy Rule 4001-2, to enter an Order authorizing them to use their cash collateral to pay certain necessary expenses related to their ongoing business operations. In support of this Motion, Debtors state as follows:

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. §157(b)(2).
2. Debtors filed Voluntary Petitions under Chapter 11 of the Bankruptcy Code ("**Petition**") on March 31, 2011 ("**Petition Date**").
3. Debtors are operating their businesses and managing their affairs as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No creditors' committee, trustee or examiner has been appointed in either of the Chapter 11 Cases.

4. Laurel Homes I and Laurel Homes V own and operate phases of the City West Housing Development located in the West End of Cincinnati.

5. The Laurel Homes I and Laurel Homes V phases of the City West Housing Development, together with all other phases of the City West Housing Development, are managed by The Community Builders, Inc. ("TCB").

6. All eight phases of the City West Housing Development receive services and goods from outside vendors. These services and goods include without limitation utilities, security, apartment refurbishing, landscaping, janitorial services, repairs and maintenance, plumbing, pest control, locksmith and similar goods and services required to keep all eight phases of the City West Housing Development maintained and operating.

7. Cincinnati Development Fund ("CDF") made a construction/term loan to Laurel Homes V pursuant to a construction/term loan agreement dated September 20, 2006 and was the holder of a promissory note from Laurel Homes V executed on September 20, 2006 in an amount not to exceed \$2,763,000.00 evidencing Laurel Homes V's indebtedness for a loan made to Laurel Homes I ("Laurel V Note"). A copy of the Laurel V Note is attached hereto as **Exhibit A**.

8. CDF transferred the Laurel V Note to PNC Bank, N.A. ("PNC"), as trustee, pursuant to an assignment of mortgage, assignment of rents and leases, and other loan documents (collectively, "Laurel V Assignment") dated September 20, 2006. A copy of the Laurel V assignment is attached hereto as **Exhibit B**.

9. The Laurel V Note is secured by an open-end leasehold mortgage, security agreement, assignment of rents and leases, and assignment of mortgage ("Laurel V Mortgage")

dated September 20, 2006. A copy of the first page of the Laurel V Mortgage is attached hereto as **Exhibit C**.

10. Pursuant to the Laurel V Mortgage, PNC took a first position mortgage interest in the Laurel Homes I and Laurel Homes V phases of the City West Housing Development and a security interest in rents derived therefrom.

11. The current outstanding principal balance owed to PNC is \$2,735,038.35, plus interest. To the best of Laurel Home V's knowledge and belief, PNC, pursuant to the Laurel V Mortgage, has a first and best lien and security interest in Debtors' property and the rents derived therefrom. Laurel Homes V reasonably believes that the Laurel Homes V phase of the City West Housing Development, its business operations situated thereon, and personal property have a combined fair market value of at least \$3,180,000.

12. CDF made a construction/term loan to Laurel Homes I pursuant to a construction/term loan agreement dated October 24, 2002 and was the holder of a promissory note from Laurel Homes I executed on October 24, 2002, in an amount not to exceed \$3,127,000.00 evidencing Laurel Homes I's indebtedness for a loan made to Laurel Homes I ("Laurel I Note"). A copy of the Laurel I Note is attached hereto as **Exhibit D**.

13. CDF transferred the Laurel I Note to The Provident Bank ("Provident"), as trustee, pursuant to an assignment of mortgage, assignment of rents and leases, and other loan documents (collectively, "Laurel I Assignment") dated October 24, 2002. A copy of the Laurel I Assignment is attached hereto as **Exhibit E**.

14. PNC is the successor-in-interest to Provident pursuant to Provident's merger with National City Bank ("NCB") and PNC's subsequent merger with NCB.

15. The Laurel I Note is secured by an open-end leasehold mortgage, security agreement, assignment of rents and leases, and assignment of mortgage (“Laurel I Mortgage”) dated October 24, 2002. A copy of the first page of the Laurel I Mortgage is attached hereto as **Exhibit F**.

16. Pursuant to the Laurel I Mortgage, PNC took a first position mortgage interest in the Laurel Homes I phase of the City West Housing Development and a security interest in rents derived therefrom.

17. The current outstanding principal balance owed to PNC is \$2,455,379.80, plus interest. To the best of Laurel Home I’s knowledge and belief, PNC, pursuant to the Laurel I Mortgage, has a first and best lien and security interest in Laurel Homes I’s property and the rents derived therefrom. Laurel Homes I reasonably believes that the Laurel Homes I phase of the City West Housing Development, its business operations situated thereon, and personal property have a combined fair market value of at least \$4,440,000.

18. Debtors need to use their cash, deposit accounts, accounts receivable, inventory, equipment, rents and business income (“Cash Collateral”) to continue their business operations in their ordinary course until the completion of their plan. The Debtors’ projected income from the Petition Date through 2012 is expected to be sufficient to pay the anticipated expenses of the Debtors’ business operations, as set forth in the budgets attached hereto as **Exhibit G** and **H**. Those budgets include a \$3,852.00 monthly payment to PNC on the Laurel V Note, and an \$8,817.00 monthly payment to PNC on the Laurel I Note.

19. Debtors have no source of operating capital other than through the use of their Cash Collateral. An immediate need exists for Debtors to use their Cash Collateral in order to continue the operation of their businesses. The Debtors will be immediately and irreparably

harmed within the meaning of Bankruptcy Rule 4001(b)(2) if they cannot utilize their Cash Collateral. Without such funds, Debtors will not be able to pay their operating expenses, jeopardizing the welfare of the tenants they serve as well as the completion of the remaining phases of the City West Housing Development. As a result, absent the use of Cash Collateral, the Debtors will be forced to terminate their business operations.

20. In consideration of Debtors' ability to use their Cash Collateral to pay their ordinary and necessary operating expenses, Debtors propose to provide PNC with adequate protection as follows: (i) maintain their business operations and assets at current levels; (ii) make monthly payments to PNC on an ongoing basis as described in **Exhibits G and H**; and (iii) agree to the granting of replacement liens and security interest in all pre-petition collateral, as well as rents acquired on or after the Petition Date. Debtors submit that the interests of PNC will be adequately protected, and that their use of Cash Collateral is essential to maintain their ongoing business operations and their ongoing concern value.

**WHEREFORE**, Debtors request that this Court enter an order authorizing Debtors to use their Cash Collateral on and after the Petition Date to pay their ordinary and necessary business expenses as set forth in **Exhibits G and H**, and granting PNC adequate protection as set forth herein.

Dated: April 6, 2011

Respectfully submitted,

/s/Charles M. Meyer  
Charles M. Meyer (0019133)  
Deepak K. Desai (0061260)  
Santen & Hughes  
600 Vine Street, Suite 2700  
Cincinnati, OH 45202  
(513) 852-5986  
(513) 721-7377 (fax)  
cmm@santen-hughes.com  
dkd@santen-hughes.com  
*Proposed Attorneys for Debtors*

**CERTIFICATE OF SERVICE**

I hereby certify that on April 6, 2011, a copy of the foregoing Debtors' Motion for Expedited Hearing and Authorizing Limited Notice for Various First Day Motions was served on the following registered ECF participants, **electronically** through the court's ECF System at the email address registered with the court:

U.S. Trustee

and on the following by **ordinary U.S. Mail** addressed to:

See attached Master Service List.

/s/ Charles M. Meyer, Esq.  
Charles M. Meyer, Esq.

**MASTER SERVICE LIST  
FOR  
LAUREL HOMES I & LAUREL HOMES V**

A&V Contactors, LLC 232 Huron Avenue Dayton, Ohio 45417	All-Gone Termite & Pest Control, Inc. 9037 Sutton Place Hamilton, Ohio 45011
B&B Window & Door, LLC 6417 Taylor Road Cincinnati, Ohio 45248	Baron James Osterman 310 Ezzard Charles Drive Cincinnati, Ohio 45214
Brett Thomas 3567 Edwards Road, #3 Cincinnati, Ohio 45204	Call Source P. O. Box 60280 Los Angeles, CA 90060-0280
Charles Brown dba Charlie's Carpet Service 4874 Reading Road Cincinnati, Ohio 45237	Christopher M. Vogelpohl 312 Ezzard Charles Drive Cincinnati, Ohio 45214
Cincinnati Bell P. O. Box 748003 Cincinnati, Ohio 45274-8003	Cincinnati Color Company 1027 Dalton Avenue Cincinnati, Ohio 45203
Cincinnati Development Fund 1100 Walnut Street Cincinnati, Ohio 45202	Cincinnati Metropolitan Housing Authority 16 West Central Parkway Cincinnati, Ohio 45202
Cincy Carpets Unlimited, Inc. 10270 Spartan Drive Cincinnati, Ohio 45215	Cintas Corporation – Ohio P. O. Box 630803 Cincinnati, Ohio 45263-0803
CORE Communications, LLC P. O. Box 531 Suffield, CT 06078	Cort Furniture Rental Cort Business Services P. O. Box 17401 Baltimore, MD 21297-1401
DMG Contractors 3055 Blue Rock Road Cincinnati, Ohio 45239	Donald R. Meece 5083 Colerain Avenue Cincinnati, Ohio 45224
Donald Ruberg 151 Palisades Pt. #6 Cincinnati, Ohio 45238	Donnellon McCorthy, Inc. P. O. Box 932332 Cleveland, Ohio 44193
Doppes, J.B. Sons Lumber Company 1001 Dalton Avenue Cincinnati, Ohio 45203	Duke Energy P. O. Box 9001076 Louisville, KY 40290-1076
Ellis Management Services, Inc. 4324 N. Beltine Road, #C105 Irving, TX 75038	Ellis, Partners in Mystery Shopping 4324 N. Beltine Road, #C105 Irving, TX 75038
Enquirer Media 312 Elm Street Cincinnati, Ohio 45202	Express Services, Inc. 8516 NE Expressway Oklahoma City, OK 73162

Grainger Industrial Supply Dept. 088-855809521 Palatine, IL 60038	HD Supply Facilities Maintainece, LDT P. O. Box 509058 San Diego, CA 92150-9058
Jason Ader 705 Miami Avenue Terrace Park, OH 45174	Ken Neyer Plumbing, Inc. 4895 State Road 128 Cleves, Ohio 45002
Larrys Lock Safe & Sec. Ctr., Inc. 8055 Plainfield Road Cincinnati, Ohio 45236	Mark Bode 310 Ezzard Charles Drive Cincinnati, Ohio 45214
Ohio Housing Finance Agency 57 E. Main Street Columbus, Ohio 43215	Overhead Door Company Greater Cincinnati, Inc. P. O. Box 8187 West Chester, Ohio 45069-8187
Peachtree Business Products P. O. Box 13290 Atlanta, Georgia 30324	Rice Electrical Sales, Inc. 2611 Kemper Lane Cincinnati, Ohio 45206
Ricoh Americas Group P. O. Box 73210 Chicago, IL 60673-7210	Royal Finish, Inc. 12225 Greenville Avenue, Suite 700 Dallas, Texas 75243
Rumpke P. O. Box 538708 Cincinnati, Ohio 45243	Sharon Bolling 3246 Rocker Drive Cincinnati, Ohio 45239
Stanley Doss 1429 Jones Street, Apt. B Cincinnati, Ohio 45214	Staples Credit Plan P. O. Box 689020 Des Moines, Iowa 50368-9020
Superior Janitor Supply, Inc. 6240 Wiehe Road Cincinnati, Ohio 45237	TCB – Prepaid Payroll 95 Berkeley Street Boston, MA 02116
Teasdale Fenton Carpet Cleaner & Restoration, LLC 188 Bell Tower Circle Batavia, Ohio 45103	Terminix International 4455 Salzman Road Middletown, Ohio 45044
The Community Builders, Inc. 95 Berkeley Street Boston, MA 02116	Timothy M. Grieshop-Petty Cash City West 1201 Linn Street Cincinnati, Ohio 45203
U.S. Affordable Housing Community Invest c/o Federal Housing Finance Agency 1700 G. Street, NW – 4 <sup>th</sup> Floor Washington, DC 20552	United Advertising Publications, Inc. dba For Rent Magazine 75 Remittance Drive, #1705 Chicago, IL 60674-1705



Viva Group, Inc. dba Rent, Inc. 2425 Olympic Blvd., Suite 400E Santa Monica, CA 90404	PNC Bank, N.A., as Trustee c/o H. Toby Schisler, Esq. Sarah Sparks Herron, Esq. Dinsmore & Shohl, LLP 1900 Chemed Center 255 E. Fifth Street Cincinnati, Ohio 45202
Ohio Housing Finance Agency c/o Donn D. Rosenblum, Esq. Assistant Attorney General 150 E. Gay Street, 21 <sup>st</sup> Floor Columbus, Ohio 43215	Cincinnati Metropolitan Housing Authority c/o Jeffrey P. McSherry, Esq. Andrew M. Shott Brickler & Eckler LLP 9277 Centre Pointe Drive, Suite 100 West Chester, Ohio 45069
National Equity Fund Assignment Corporation c/o David A. Eberly, Esq. Eberly McMahon LLC 2321 Kemper Lane, Suite 100 Cincinnati, Ohio 45206	Wachovia Affordable Housing Community Development Corporation c/o Maura L. Hughes, Esq. Gabrielle T. Kelly, Esq. Calfee, Halter & Griswold LLP 1400 KeyBank Center 800 Superior Avenue Cleveland, Ohio 44114
City of Cincinnati c/o Robert Weiser, Esq. Assistant City Solicitor Room 215, 801 Plum Street Cincinnati, Ohio 45202	